

AMENDED IN ASSEMBLY JANUARY 8, 2008

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CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 1120

Introduced by Assembly Member Tran
(Coauthors: Assembly Members DeVore, Gaines, Garrick, Jeffries,
Plescia, Sharon Runner, Spitzer, and Strickland)
(Coauthors: Senators Dutton and Harman)

February 23, 2007

An act to add and repeal Section 6399 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1120, as amended, Tran. Sales and use tax: exemptions: disaster preparedness products.

The Sales and Use Tax Law imposes a tax on the gross receipts from the sale of, or the storage, use, or other consumption in this state of, tangible personal property, and provides various exemptions from that tax. Existing law authorizes cities, counties, and cities and counties to impose local sales and use taxes or transactions and use taxes, and provides that exemptions from state sales and use tax are incorporated into those local taxes.

This bill would provide, beginning January 1, 2009, and until January 1, 2012, an exemption from the sales tax for the gross receipts from the retail sale of qualified disaster preparedness products, as defined, purchased during a specified period.

~~This bill would specify that this exemption does not apply to local sales or transaction and use taxes.~~

Counties and cities are authorized to impose local sales and use taxes in conformity with state sales and use taxes. Exemptions from state sales and use taxes enacted by the Legislature are incorporated into the local taxes.

Section 2230 of the Revenue and Taxation Code provides that the state will reimburse counties and cities for revenue losses caused by the enactment of sales and use tax exemptions.

This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for sales and use tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 6399 is added to the Revenue and
2 Taxation Code, to read:
3 6399. (a) There are exempted from the computation of the
4 amount of the sales tax the gross receipts from the sale of qualified
5 disaster preparedness products sold to a purchaser at the retailer's
6 physical place of business, as provided in subdivision (b).
7 (b) The exemption authorized under subdivision (a) shall apply
8 to sales that occur during the seven-day period beginning at 12:01
9 a.m. on the first Saturday in October and ending at 12:00 midnight
10 on the following Friday.
11 (c) For purposes of this section "qualified disaster preparedness
12 products" include:
13 (1) Water purification systems, with a retail price that is not
14 more than forty dollars (\$40).
15 (2) Preassembled first aid kits with a retail price that is not more
16 than thirty dollars (\$30).
17 (3) Battery-operated emergency beacons with a retail price that
18 is not more than fifty dollars (\$50).
19 (4) Emergency flares with a retail price that is not more than
20 twenty dollars (\$20).
21 (5) Portable self-powered light sources with a retail price that
22 is not more than ~~twenty dollars (\$20)~~ *thirty dollars (\$30)*.

1 (6) Self-powered radios, including two-way radios and
2 weather-band radios, with a retail price of not more than sixty
3 dollars (\$60).

4 (d) The exemption provided for by this section also includes
5 any of the following purchases:

6 (1) Layaway agreements entered into during the period specified
7 in subdivision (b) for which the purchaser has made a deposit of
8 at least 10 percent of the sale price of the article.

9 (2) The sale of an article pursuant to an order placed by the
10 purchaser and paid for in full during the period of exemption
11 specified in subdivision (b), notwithstanding the fact that delivery
12 of the article is made subsequent to the period of the exemption.

13 ~~(e) Notwithstanding any provision of the Bradley-Burns Uniform~~
14 ~~Local Sales and Use Tax Law (Part 1.5 (commencing with Section~~
15 ~~7200)) or the Transactions and Use Tax Law (Part 1.6~~
16 ~~(commencing with Section 7251)), the exemption established~~
17 ~~herein does not apply with respect to any tax levied by a county,~~
18 ~~city, or district pursuant to, or in accordance with, either of these~~
19 ~~laws.~~

20 (f)

21 (e) This section shall become operative on January 1, 2009, and
22 shall remain in effect only until January 1, 2012, and as of that
23 date is repealed, unless a later enacted statute, that is enacted
24 January 1, 2012, deletes or extends that date.

25 *SEC. 2. Notwithstanding Section 2230 of the Revenue and*
26 *Taxation Code, no appropriation is made by this act and the state*
27 *shall not reimburse any local agency for any sales and use tax*
28 *revenues lost by it under this act.*

29 ~~SEC. 2.~~

30 *SEC. 3.* This act provides for a tax levy within the meaning of
31 Article IV of the Constitution and shall go into immediate effect.